
ICO North America Business Plan

September 26, 2005



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Key Business Objectives

- Complete GEO satellite system by FCC regulatory dates
 - Manage Loral to meet satellite build schedule
 - Enter remaining system contracts that have a high probability of working and being completed on time
 - Possible two phased approach to meet FCC milestones and later offer ATC
 - ◆ Phase 1 will require use of legacy systems
 - ◆ Phase 2 will be designed to optimize ATC
- Manage cash burn
 - Raise additional working capital financing now
- Begin discussions with Terrestar regarding system cooperation
- Enter negotiations with terrestrial players regarding potential partnerships



Business Plan



Business Plan Assumptions

- Initially, wholesale only satellite infrastructure business
 - Limited satellite only service prior to ATC
 - Development of fully operational satellite system (ground + space design)
 - All gateway equipment (Only cell site and other traditional cellular like infrastructure needed.)
 - Funding gap after launch closed by working capital loan and additional small amount of debt / equity, as necessary
- Full ATC business
 - Assumes terrestrial partner will provide:
 - ◆ Sales and marketing
 - ◆ Customer care and billing
 - ◆ Dual mode handset development
 - ◆ Spectrum clearing
 - ◆ Terrestrial infrastructure for ATC design, build and install
 - ◆ Funding of spare satellite
 - Funding gap filled by terrestrial partner



Summary Business Plan by Quarter for 4Q 2005 – 2007

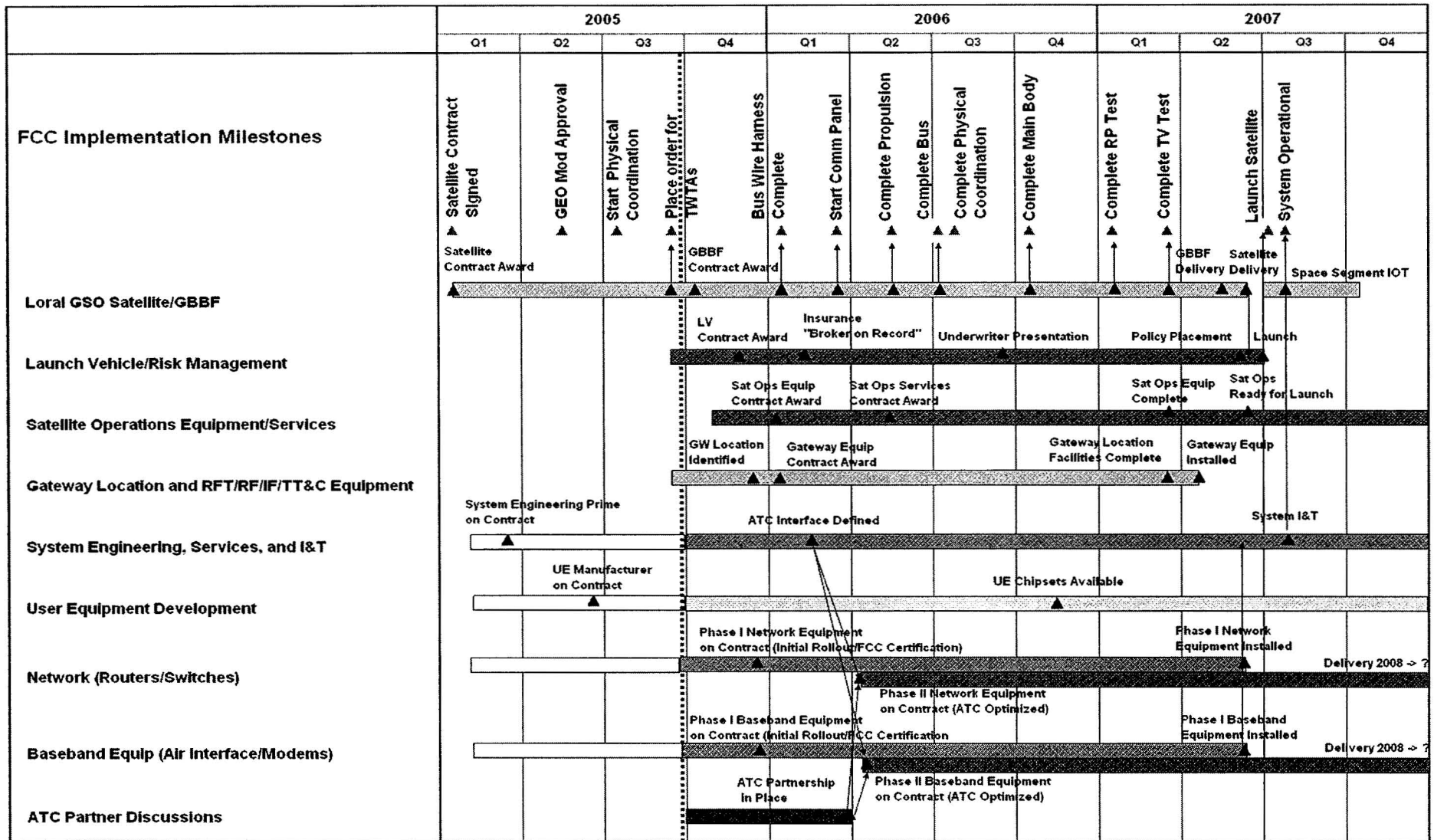
	<u>Q4 2005</u>	<u>Q1 2006</u>	<u>Q2 2006</u>	<u>Q3 2006</u>	<u>Q4 2006</u>	<u>Q1 2007</u>	<u>Q2 2007</u>	<u>Q3 2007</u>	<u>Q4 2007</u>	<u>Total</u>
General and Administrative	3,394	3,996	4,150	3,972	4,162	4,825	5,106	5,407	5,375	40,385
Operating Expenses	-	-	-	600	600	4,730	4,730	4,730	4,730	20,120
GEO Satellite	72,335	45,815	28,502	26,450	20,160	9,470	18,738	3,933	1,700	227,103
Launch Services	5,000	7,000	14,000	14,000	14,000	14,000	-	7,000	-	75,000
Satellite Insurance	-	-	-	-	-	-	70,000	-	-	70,000
GEO System Costs	10,500	27,500	23,500	23,500	13,000	12,000	12,000	12,000	3,000	137,000
Subtotal	91,229	84,311	70,152	68,522	51,922	45,025	110,574	33,070	14,805	569,609
Interest income (1)	4,296	3,492	2,782	2,142	1,583	1,132	394			15,820
Beginning cash (2)	491,918									
Ending cash (3)	404,985	324,167	256,797	190,417	140,077	96,185	(13,995)	(47,066)	(61,870)	(61,870)

Notes:

- 1) Assumes that expenses are paid in the middle of the month
- 2) ICO NA raised \$650M, Less: \$28M banking fees, \$94 escrowed interest for two years, \$36M in operating expenses / cap ex
- 3) \$40M of working capital will provide cash through launch



ICO North America – Key Implementation Schedule



Marketing



Marketing Plan

- ICO plans for a two prong marketing strategy

- 1) Partner with a terrestrial wireless operator, to jointly offer a ubiquitous satellite / terrestrial product for the US

- ◆ ICO would be a wholesale provider of the satellite services
 - ◆ Relationship could be structured in many different ways
 - ◆ Terrestrial partner would support:
 - Dual-mode handset development
 - Billing and customer acquisition and care

- 2) Develop large customer voice and data satellite services:

- ◆ US government homeland security contract
 - ◆ State and local emergency service offering
 - ◆ Onstar-like offering, which would likely include resale of cellular services
 - ◆ Broadcast radio / telematics regionally or nationally via a partnership
 - ◆ Location tracking / asset tracking & monitoring

— discussed in much less detail under ICO WA'S strategy (really not much about this in the CIM)

- ICO is not considering direct sales to retail customers, and therefore is not going to develop a large scale sales and marketing team, customer care unit or contract, or sophisticated billing system



Terrestrial Potential Strategic Partnerships

- The timing to approach partners driven by regulatory strategy

Figure 4.8 – Potential Strategic Cellular/PCS Partners



- Prominent user/acquirer of PCS spectrum
- Significant financial flexibility
- Continued EV-DO roll-out would require significant spectrum capacity
- Strong proponent that aggregate capacity demands will increase in future



- Additional spectrum would allow for aggressive expansion of wholesaling strategy
- Planned EV-DO roll-out would require significant spectrum capacity



- Announced dedicated budget for spectrum purchase in the U.S.
- Least spectrum among national carriers



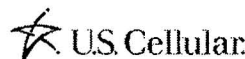
- Largest U.S. wireless operator
- Planned 3G roll-out would require significant spectrum capacity



- World's largest carrier with strong ability to integrate acquisitions
- Ideally would prefer control over nationwide U.S. carrier



- May be interested in expanding their services



- Potentially interested in regional components

Regulatory

Regulatory Plan

- Two licensees remain ICO and TMI/Terrestar, each with 8 MHz of spectrum
 - FCC continuing review to decide increase in allocation from 8 MHz to 13.3 MHz, and potentially 20 MHz
 - ICO hired a lobbyist to support our efforts
- Spectrum clearing (No money currently in Budget, likely strategic partner expense)
 - Up-link band (2000 – 2020 MHz)
 - ◆ ICO must engage in Nextel/BAS negotiations (Nextel may have financial responsibility)
 - Down-link band (2180 – 2200 MHz)
 - ◆ Analyzing costs, timing, process
- Appellate court expected to issue decision on CCHI / MCHI court case by December 2005
 - If ICO wins, we would owe 1% of ICO Holdings and \$500k
 - ◆ ICO would be required to drop down these license assets for FMV to ICONA
 - IF ICO loses no further contractual requirements
- Working on Canadian opportunity with a secondary focus



ATC Status and Rules

- ATC service requires a ground spare that must be completed within 1 year of ATC service (means must start construction 1 year before ATC service)
 - May allow in-orbit spare or sharing excess capacity between two satellites (See Terrestar section)
- ATC is only available after satellite service is operational
- MSS and MSS ATC must be an integrated service
 - Dual mode phone is a safe harbor; other approaches must be approved by FCC
- Can apply for ATC before being operational, if can prove you will meet ATC requirements by the time ATC grant is given
 - FCC will review applications within 90 days of receipt



FCC GEO Milestones

FCC Implementation Milestones		Deadline	Status
1	Commence coordination of the physical operation of the satellite	July 17, 2005	COMPLETE
2	Place order for TWTAs	September 15, 2005	COMPLETE
3	Complete bus wire harness fabrication	January 15, 2006	ON-PLAN
4	Start communications panel/payload integration	March 1, 2006	ON-PLAN
5	Complete propulsion integration	May 1, 2006	ON-PLAN
6	Complete bus integration	July 1, 2006	ON-PLAN
7	Complete coordination of the physical operations of the satellite, and file any modification applications necessitated thereby	July 17, 2006	ON-PLAN
8	Complete main body integration	October 1, 2006	ON-PLAN
9	Complete reference performance test	January 1, 2007	ON-PLAN
10	Complete thermal vacuum test	March 1, 2007	ON-PLAN
11	Launch satellite	July 1, 2007	ON-PLAN
12	Certify that the system is operational	July 17, 2007	ON-PLAN

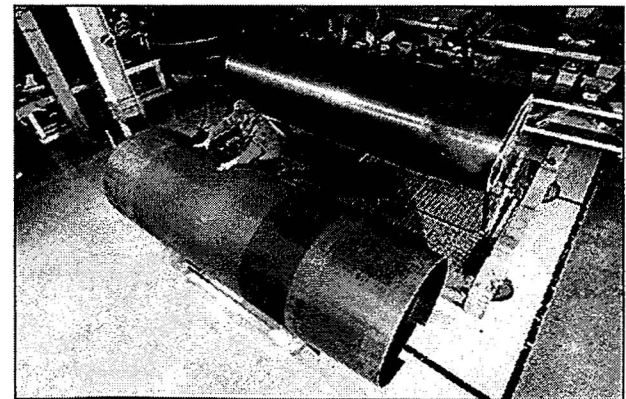
The FCC also requires ICO to file a notification with the Commission in the event that any of the contractual milestones in the Loral Exhibit F (Payment Plan) will be completed later than fourteen (14) days following the scheduled completion dates in the contract.



Satellite System

Space Segment: Satellite + Ground Based Beam Forming

- Contractor:
 - Space Systems/Loral, Inc., Palo Alto, CA
 - ◆ HNS is the GBBF Subcontractor to Loral
 - Physical construction began June 2005
- Contract Financials:
 - Satellite \$220M
 - ◆ Plus Performance Incentives = \$10M paid over 15 years
 - Includes option for spare satellite through 2008
 - GBBF \$36M
- Key attributes:
 - Satellite
 - ◆ 15 year life
 - ◆ 12 meter reflector
 - ◆ Capable of operating over entire 40 MHz of S-Band
 - GBBF
 - ◆ Broadband system that can produce up to 250 beams
 - ◆ 750 MHz of feeder link spectrum required each way
 - ◆ Adjustable power and spectrum to each beam
- Status
 - On plan for satellite – challenging milestones at end of year
 - GBBF – Enter contract ~Oct. 1, 2005
- Delivery:
 - GBBF Delivery – May 1, 2007
 - Satellite Delivery - May 17, 2007
 - June 1, 2007 – GBBF Installation and Test Completed



ICO Central Cylinder for Bus



Space Segment: Launch Vehicle

- Potential Contractors:
 - ICO's satellite is compatible with
 - ◆ International Launch Services - Proton M or Atlas V 421
 - ◆ Sea Launch
 - ◆ Arianespace
- Launch Vehicle criteria
 - Reliability / Insurance Risk
 - Price
 - Schedule Risk and Schedule Flexibility
- Proton M and Sea Launch meet these criteria best
 - ◆ \$75M estimate for Proton and Sea Launch *part of the 600 m to 1200 m 0483 G-EO*
- ICO can either procure the launch vehicle directly or through a third party (PanAmSat, Loral, etc.) to take advantage of their purchasing power
 - Third party approach would require a back to back contract
 - Third party may be able to offer additional services
- Current Status
 - ICO to issue RFP by mid October 2005
 - LV must be on contract by December 1, 2005
- Nominal Launch Date
 - July 1, 2007 (actual date ~30 days after satellite delivery)



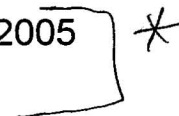
Space Segment: Risk Management

- Indenture Agreement requires full insurance at launch and thereafter
 - Likely initial policy would cover Launch + 1 Year Operations
- Potential Brokers
 - ISB – International Space Brokers
 - AON Space (Covered ICO MEO F2 Launch)
 - Marsh Space (Covered ICO MEO F1 Launch)
- Financial Summary
 - Policy covers the cost of a replacement satellite, incentives, launch vehicle, and insurance
 - Current policy rates are approximately 20% of the coverage amount
 - Approximate premium for full coverage = \$70M
 - May not be able to insure GBBF + Satellite work properly
- Status
 - Currently putting in place Loral Technical Assistance Agreement (TAA) for technical risk management discussion with underwriters in 2006
- Important Dates
 - Spring 2006 – Insurance TAA in place
 - Spring 2006 – Identify the “Broker on Record”
 - Summer 2006 – Satellite program and technical presentation to underwriters
 - May 2007 – Complete insurance placement *at least* thirty (30) days prior to launch



Gateway

- Gateway location
 - ICO will need a primary gateway located in an arid location with an additional remote antennae within ~30 kilometers for rain diversity
 - Location will be driven by orbital slot negotiations and existing gateway availability
 - ◆ Preferred location is Western US (NM, AZ, NV, CO)
 - ICO could build-out their own new gateway facility or partner with an existing teleport provider and lease facilities
- Gateway equipment
 - Two 11 meter full motion antennas
 - ◆ No north / south station-keeping on the satellite
 - The facility will house the TT&C, GBBF, RF communications, network and baseband equipment
- Potential Vendors
 - ◆ PanAmSat
 - ◆ Telesat Canada
 - ◆ Harris
 - ◆ Honeywell
 - ◆ HNS
 - ◆ ViaSat
- Status
 - Currently in discussions with potential vendors.
- Key Dates
 - Gateway facilities must be on contract by November 2005
 - Gateway equipment on contract by January 2006
 - Gateway facilities complete by April 2007



System Design and Development

- ICO system could be done in two phases
 - Phase 1 satellite only products and services via legacy equipment and design (cheap and quick) meet License requirements
 - Phase 2 satellite / terrestrial products and services optimized for ATC after ATC partner finalized
- Potential for segment vendors:
 - ViaSat
 - HNS
 - RadioFrame
 - Motorola
- The System Segment consists of:
 - System Architecture
 - System Requirements and Services Definition
 - System Development and Deployment
 - System Integration and Test
 - Air Interfaces
 - ATC Design and Implementation
 - System Interfaces between ICO and ATC partner
- Status
 - Phase 1 ICO legacy could be retooled to provided satellite only services, discussions beginning
 - Phase 2 system integrator must have terrestrial and satellite experience
- Key Dates
 - ***System prime contractor should be on contract ASAP*** ✈



Network and Radio Equipment

- ICO will contract with a network system provider for network equipment
 - The network equipment consists of off-the-shelf telecommunications gear, as well as unique Radio Frequency (RF) hardware
 - For Phase 1, the initial approach is likely to adapt legacy RF hardware for ICO's system design
 - ◆ A potential candidate is the use of the HNS's Thuraya technology
 - For Phase 2, which can start at the same time as Phase 1, ICO will either use the same vendor or an alternative supplier to develop ATC optimized RF equipment that will work with small dual-mode handsets
 - ◆ This development is expected to take at least two years to complete
- Potential Vendors
 - ViaSat
 - Hughes Network Systems (HNS)
 - RadioFrame
- The Network consists of:
 - Network Architecture and Requirements and Services Definition
 - Network Deployment Integration and Test
 - Network Equipment (Routers/Switches and Interfaces)
 - Network Operations Control / Management Center
 - User Traffic Interconnection Links
 - ICO Unique RF Hardware
- Status
 - Currently in very preliminary discussions with potential vendors.
- Key Dates
 - Phase 1 Initial Network Equipment on Order – December 2005
 - ◆ ICO initial rollout/certification by July 17, 2007
 - ATC Optimized Network Equipment – at time terrestrial partner selected



User Equipment Segment

- Two phased approach to user equipment
 - Phase 1 – Satellite only phones based on legacy design
 - Phase 2 – Small dual-mode ATC handsets
- Potential Vendors
 - ViaSat
 - Hughes Network Systems (HNS)
 - Nokia
 - Motorola
 - Ericsson
- The User Equipment Consists of:
 - User Equipment Architecture
 - User Equipment Requirements and Services Definition
 - User Equipment Development
 - User Equipment Deployment
 - User Equipment Integration and Test
 - User Equipment Air Interfaces
 - User Equipment OEM Chip Set Development
- Status
 - Very preliminary discussions so far on legacy design
 - Dual-mode ATC user equipment awaiting ATC partnership decisions
- Key Dates
 - Need to be on contract for Phase 1 user equipment by January 2006
 - ◆ System prime contractor may be able to support this requirement



Orbital Slot and Feeder Links

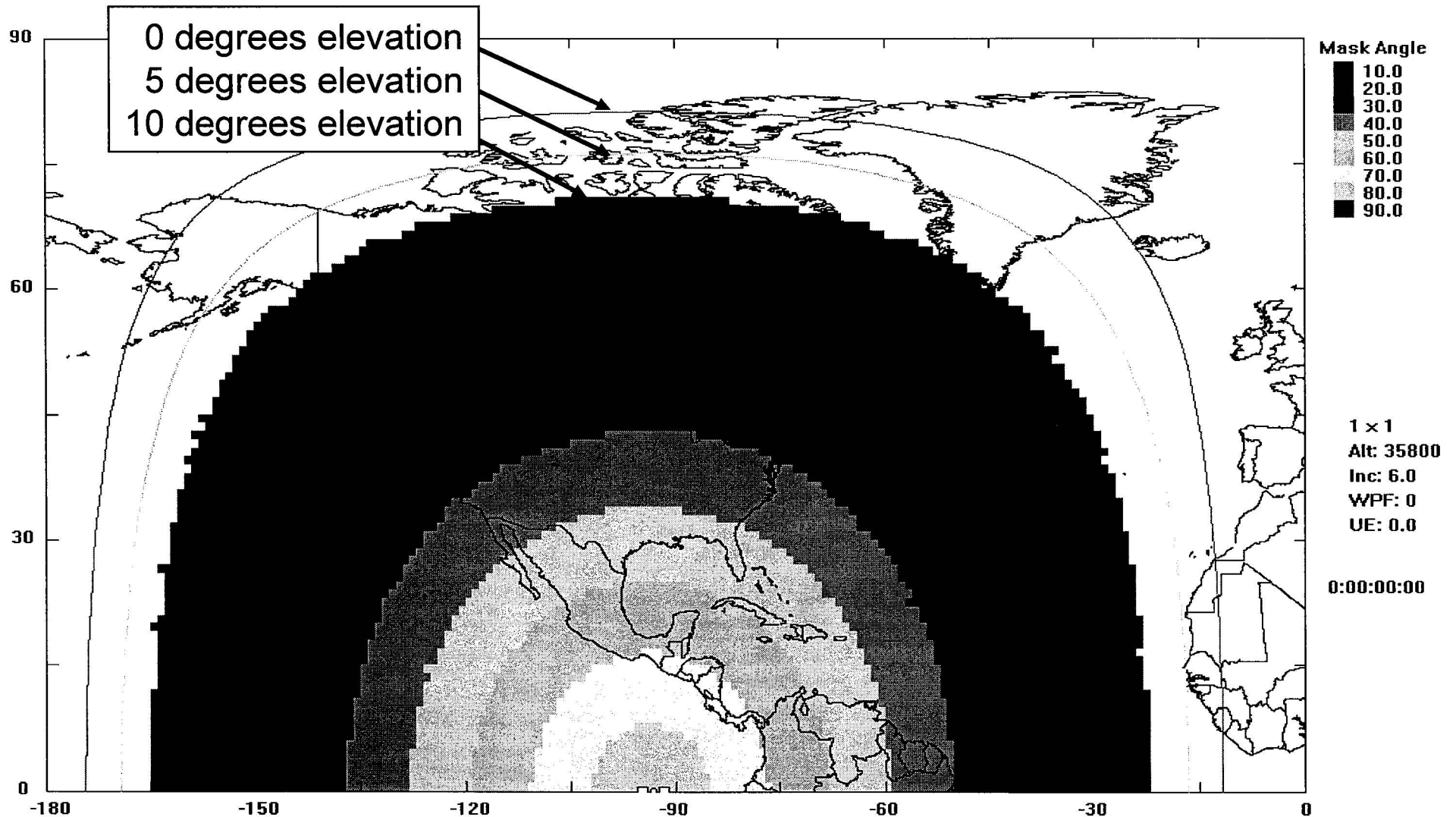
Acquisition of the Orbital Slot and Feeder Links

- ICO initially filed with the UK (ITU) and the FCC for 91° WL, while evaluating ICO's options and requirements
- ICO requires 750 MHz x 2 of Ka feeder link
 - 91 WL has that much
- ICO has been negotiating with Loral Skynet for the rights to use 93° WL, which has 1 GHz x 2 available
 - Deal requires ICO to pay over time for the slot from our in-service date (~\$11M in present value)
 - The parties are close on most of the major business points, but several regulatory issues need to be ironed out
- ICO has changed its UK (ITU) filing to 93° WL in anticipation of a deal
 - ICO has second date priority behind Loral (must coordinate with Loral)
- ICO has filed this week for the 93° WL with the FCC when it came out on public notice, and we are first in line
- ICO is also looking at alternative scenarios for its slot / feeder links in the event a Loral deal does not come together



GEO Satellite View from 93° WL

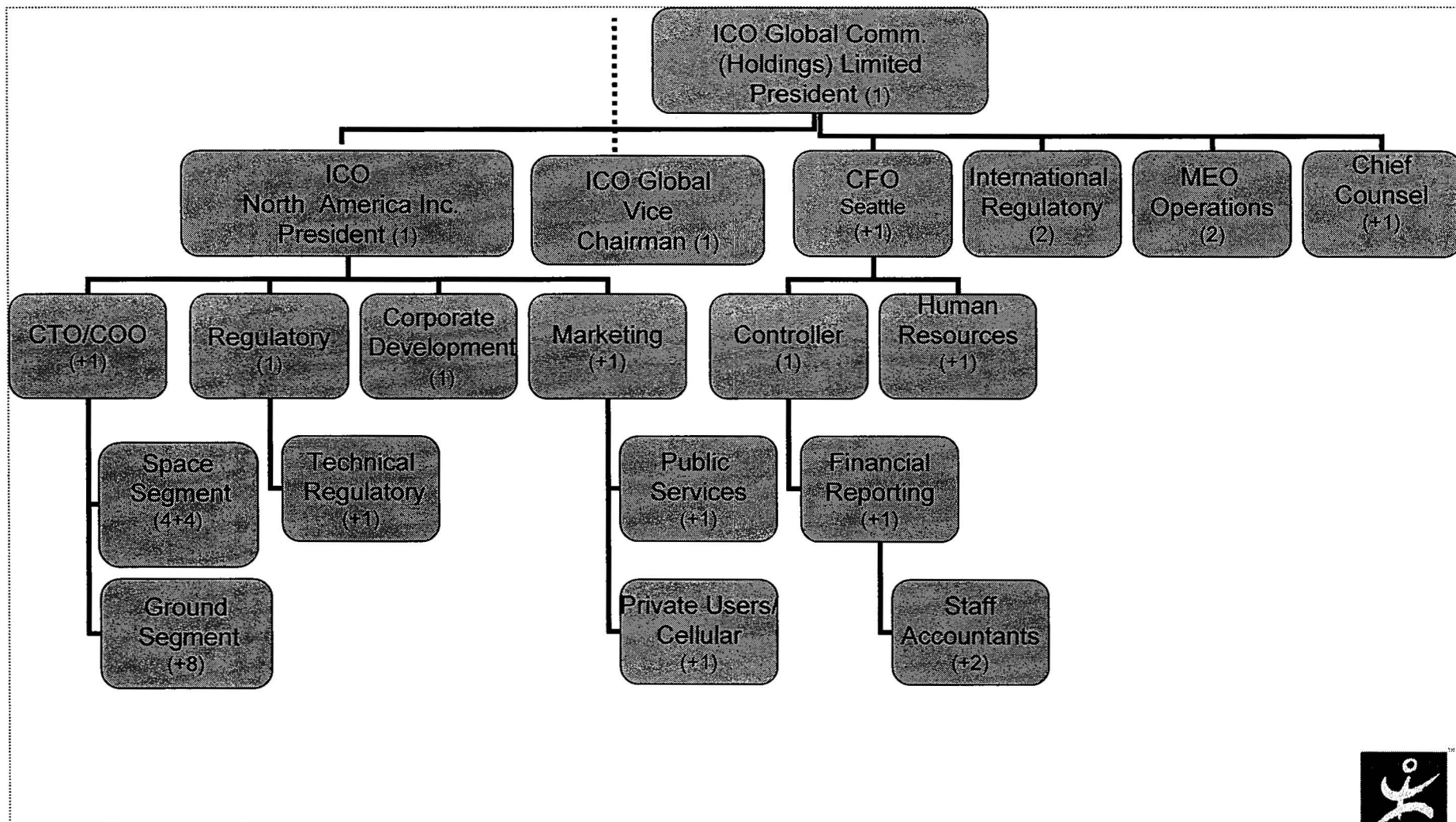
Equatorial Orbit (No Inclination)



Human Resources



Employee Organization Chart



Human Resource Planning – To be provided later

Financing

Summary of Convertible Senior Secured Notes – To be provided later

Financial Reporting Requirements

- Must furnish to note holders and post on ICO's website:
 - All quarterly and annual financial statements equivalent to and at same time as Forms 10-K and 10-Q would be filed, if ICONA were a reporting company
 - ◆ First report will be due November 14 for 3rd quarter 2005
 - Quarterly: provide a certificate of a qualified officer that there is no existing default under the Indenture
 - Annually: provide audit reports
- By October 15 '05 must post on website all material information about ICONA, and its subsidiaries, provided to any note holder after August 15, 2006
 - Does not include the Indenture related documents or confidential FCC filings
- Quarterly: must deliver to note holders, and post on website, an officer's certificate explaining compliance with applicable FCC implementation milestones and rules



Future Financing Plans

- After receipt of the \$650M note proceeds less:
 - Bankers fees - \$28M
 - Escrowed interest - \$94M
 - 3rd quarter capital expenditures and operating costs - \$36M
 - ICONA starts Q4 2005 with \$492M
- ICONA's business plan through Q4 2007 calls for expenditures (net of interest income) of \$554M, leaving an expected shortfall of \$62M
 - In accordance^{16M} with the Indenture, ICO can borrow up \$40M in a working capital facility
 - Subordinated debt up to \$200M at no greater than 7.5% coupon rate
 - ◆ First right to note holders
 - Sale of stock
 - ◆ First right to note holders, who have converted
 - ◆ Possibly equity infusion from the ICO Holdings
 - Other sources of money would be from CAPEX/business savings or revenues / partnership payments
- After 2007 the expected cash spend without ATC proceeds or satellite revenue is expected to be ~\$4M / Month



Corporate Development and Strategy

Corporate Development

- Potential Terrestrial system sharing and coordination relationship could include:
 - Combining signals from both satellites to increase capability to a smaller handset (3 dB or more on the return link)
 - Common air interface and standards will result in cheaper handsets
 - Common and cooperative approach to interference issues
 - Common gateway, GBBF design, and system design would enhance spectrum efficiency and save CapEx
 - Shared IP to support system design and coordinated engineering teams
 - Potentially shared back-up satellite:
 - 1) condominium back of each satellites capacity on other bird
 - 2) common ground spare
- Near term alternative terrestrial spectrum will come from the following sources:
 - Advanced Wireless Services (AWS) spectrum 1700 / 2100 (up to 90 MHz)
 - ◆ First auction (part of the spectrum) is expected to begin in mid 2006
 - ◆ DoD incumbents will drive availability + timing
 - Broadcast spectrum 700 MHz (up to 60 MHz)
 - ◆ Auction / clearing not expected to be completed until 2009

Appendix

Operating Expenses – All cost centers 4Q 2005 – 4Q 2006

	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>	<u>Dec-06</u>
Operating Expenses:															
GEO network engineering	-	-	-	-	-	-	-	-	-	200	200	200	200	200	200
ICONET operating costs	-	-	-	-	-	-	-	-	-	200	200	200	200	200	200
Salaries	291	302	302	380	380	400	400	403	403	429	429	429	429	429	429
Employment taxes (10% of salaries)	29	30	30	38	38	40	40	40	40	43	43	43	43	43	43
Employee benefits (25% of salaries)	73	75	75	95	95	100	100	101	101	107	107	107	107	107	107
Bonus expense (20% of salaries)	51	53	53	69	69	73	73	74	74	79	79	79	79	79	79
Total employment costs	444	460	460	582	582	613	613	618	618	658	658	658	658	658	658
Headcount @ EOP	24	25	25	30	30	31	31	32	32	33	33	33	33	33	33
Contract and temporary labor costs	105	105	105	105	105	45	45	45	36	36	36	36	36	36	36
Recruiting and relocation	80	50	50	50	50	80	80	30	49	-	-	-	-	-	-
Travel and entertainment	39	46	53	69	71	88	80	70	173	71	77	83	73	151	74
Total other personnel costs	224	201	208	225	226	214	206	146	257	107	113	119	109	187	110
Consultancy	121	116	156	166	161	171	166	171	191	166	166	166	166	186	196
Legal fees	105	105	115	115	115	115	105	105	105	105	105	105	105	115	115
Professional fees	89	84	118	84	84	84	84	84	84	84	84	124	84	84	84
Total consultancy and professional fees	316	305	389	364	359	369	354	359	379	355	354	394	354	384	394
Rent and leases	13	16	16	19	19	19	19	19	19	19	19	19	19	19	19
Telecommunications and computer supplies	13	14	14	14	14	15	15	15	15	15	15	15	15	15	15
Printing and postage	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Insurance	22	22	22	22	22	43	43	43	93	43	43	43	43	43	43
Other office expenses	64	84	84	84	84	84	85	85	85	85	89	89	89	89	89
Total accommodation and office related costs	112	137	137	139	139	162	163	163	213	163	167	167	167	167	167
Advertising and marketing	-	-	-	-	-	20	20	20	20	20	20	20	50	50	50
EBITDA	1,096	1,103	1,194	1,311	1,307	1,378	1,356	1,306	1,488	1,502	1,512	1,558	1,538	1,646	1,579



Operating Expenses – All cost centers 1Q 2007 – 4Q 2007

	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>	<u>Jul-07</u>	<u>Aug-07</u>	<u>Sep-07</u>	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>
Operating Expenses:												
GEO network engineering	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577
ICONET operating costs	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577	1,577
Salaries	437	437	437	437	437	437	437	437	437	437	437	437
Employment taxes (10% of salaries)	44	44	44	44	44	44	44	44	44	44	44	44
Employee benefits (25% of salaries)	109	109	109	109	109	109	109	109	109	109	109	109
Bonus expense (20% of salaries)	80	80	80	80	80	80	80	80	80	80	80	80
Total employment costs	671	671	671	671	671	671	671	671	671	671	671	671
<i>Headcount @ EOP</i>	34	34	34	34	34	34	34	34	34	34	34	34
Contract and temporary labor costs	36	36	36	36	36	36	36	36	36	36	36	36
Recruiting and relocation	-	-	-	-	-	-	-	-	-	-	-	-
Travel and entertainment	72	86	67	68	71	68	79	68	67	68	67	67
Total other personnel costs	108	122	103	104	107	104	115	104	103	104	103	103
Consultancy	246	256	256	221	221	256	256	241	241	241	241	241
Legal fees	115	115	115	105	105	115	115	95	95	95	95	95
Professional fees	84	84	84	84	84	84	84	84	84	84	84	84
Total consultancy and professional fees	444	454	454	409	409	454	454	419	419	419	419	419
Rent and leases	19	19	19	19	19	19	19	19	19	19	19	19
Telecommunications and computer supplies	15	15	15	15	15	15	15	15	15	15	15	15
Printing and postage	2	2	2	2	2	1	1	1	1	1	1	1
Insurance	43	43	50	50	50	105	50	50	50	50	50	50
Other office expenses	89	99	99	99	99	99	99	114	114	114	114	114
Total accommodation and office related costs	167	177	184	184	184	239	184	199	199	199	199	199
Advertising and marketing	200	200	200	300	300	300	400	400	400	400	400	400
EBITDA	3,166	3,201	3,188	3,244	3,247	3,344	3,400	3,369	3,368	3,369	3,368	3,368



Capital Expenditures – 4Q 2005 – 4Q 2006

	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06
Delivery minus months	-19	-18	-17	-16	-15	-14	-13	-12	-11	-10	-9	-8	-7	-6	-5
ICO GEO SATELLITE															
ICO GEO Satellite	10,570	20,140	25,990	6,750	9,780	21,560	9,780	-	15,420	7,460	7,050	4,140	5,640	4,930	2,020
ICO GEO Satellite FCC Incentives				1,500		1,500		1,500		1,500			1,500		
ICO GEO Satellite Performance Incentives															
ICO GEO Proton Launch Campaign (1)															600
GBBF Study (ViaSat)															
GBBF Deployment (Loral) (2)	5,400	5,400	4,500			4,500				6,300				4,500	
Satellite Control Equipment (SCCS/E)	260						650		702					520	
Satellite Dynamic Simulator (DSS)	75			225					450					450	
Launch Vehicle			5,000			7,000			14,000			14,000			14,000
Risk Management (3)															
Total Expenditures	16,305	25,540	35,490	8,475	9,780	34,560	10,430	1,500	30,572	15,260	7,050	18,140	7,140	10,400	16,620
Cumulative Satellite Expenditures	61,465	87,005	122,495	130,970	140,750	175,310	185,740	187,240	217,812	233,072	240,122	258,262	265,402	275,802	292,422
ICO GEO System Expenditures															
ICO System Architecture, Development and Services	1,750	1,750	1,750	2,000	2,000	2,000	1,500	1,500	1,500	1,750	1,750	1,250	500	500	
ICO Gateway Equipment	750	750	1,750	2,500	2,000	2,000	2,000	2,000	2,000	2,750	2,750	2,750	2,000	2,000	2,000
ICO User Equipment (4)	250	250	250	2,000	2,000	2,000	2,000	2,000	2,000	1,750	1,750	1,750	1,000	1,000	1,000
ICO Network Equipment	250	250	750	3,000	3,000	3,000	2,500	2,500	2,000	1,750	1,750	1,750	1,000	1,000	1,000
Total Expenditures	3,000	3,000	4,500	9,500	9,000	9,000	8,000	8,000	7,500	8,000	8,000	7,500	4,500	4,500	4,000
Cumulative System Expenditures	3,000	6,000	10,500	20,000	29,000	38,000	46,000	54,000	61,500	69,500	77,500	85,000	89,500	94,000	98,000
Total ICO GEO Expenditures	19,305	28,540	39,990	17,975	18,780	43,560	18,430	9,500	38,072	23,260	15,050	25,640	11,640	14,900	20,620
Cumulative ICO GEO Expenditures	19,305	47,845	87,835	105,810	124,590	168,150	186,580	196,080	234,152	257,412	272,462	298,102	309,742	324,642	345,262

Notes:

- 1) Assumes Proton launch campaign
- 2) Assumes payment plan from Loral GBBF proposal
- 3) Insurance Premium – 20% of spare satellite, satellite incentives, launch, insurance
- 4) Does not include ATC handsets



Capital Expenditures – 1Q 2007 – 4Q 2007

	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07
Delivery minus months	-4	-3	-2	-1	Delivery	Launch						
ICO GEO SATELLITE												
ICO GEO Satellite	2,820	1,550	1,410	1,000	1,000	1,000	1,800	2,000				
ICO GEO Satellite FCC Incentives	1,500		1,500		1,500							
ICO GEO Satellite Performance Incentives								67	67	67	67	67
ICO GEO Proton Launch Campaign (1)						1,200						
GBBF Study (ViaSat)												
GBBF Deployment (Loral) (2)				3,150	4,500	5,310					1,500	
Satellite Control Equipment (SCCS/E)	390				78							
Satellite Dynamic Simulator (DSS)		225	75									
Launch Vehicle			14,000				7,000					
Risk Management (3)					70,000							
Total Expenditures	4,710	1,775	16,985	4,150	77,078	7,510	8,800	2,067	67	67	1,567	67
Cumulative Satellite Expenditures	297,132	298,907	315,892	320,042	397,120	404,630	413,430	415,497	415,563	415,630	417,197	417,263
ICO GEO System Expenditures												
ICO System Architecture, Development and Services												
ICO Gateway Equipment	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	500	500	500
ICO User Equipment (4)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	500	500	500
ICO Network Equipment	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000			
Total Expenditures	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	1,000	1,000	1,000
Cumulative System Expenditures	102,000	106,000	110,000	114,000	118,000	122,000	126,000	130,000	134,000	135,000	136,000	137,000
Total ICO GEO Expenditures	8,710	5,775	20,985	8,150	81,078	11,510	12,800	6,067	4,067	1,067	2,567	1,067
Cumulative ICO GEO Expenditures	353,972	359,747	380,732	388,882	469,960	481,470	494,270	500,337	504,403	505,470	508,037	509,103

Notes:

- 1) Assumes Proton launch campaign
- 2) Assumes payment plan from Loral GBBF proposal
- 3) Insurance Premium – 20% of spare satellite, satellite incentives, launch, insurance
- 4) Does not include ATC handsets



ICO North America Organization Chart

